

**FISCAL MEMORANDUM
SB 828 – HB 2090**

April 23, 2007

SUMMARY OF AMENDMENTS (005595, 006932): Deletes the requirement of the original bill and exempts the Division of Mental Retardation Services (DMRS) from the requirement to obtain certificates of need from the Health Services and Development Agency for ICF/MR non-facility beds established as a result of federal litigation settlements.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$2,737,000

Other Fiscal Impact – Increase Federal Expenditures - \$4,801,900

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Decrease State Expenditures - \$21,000 Annually for Four Years

Decrease State Revenues - \$21,000 Annually for Four Years

Assumptions applied to amendment:

- DMRS will construct 28 ICF/MR homes over the next four years as a result of settlement agreements.
- Currently, there is a nonrefundable examination fee of \$2.25 per \$1,000 of the estimated project cost, but not less than \$3,000 or more than \$45,000 which is paid to the Health Services and Development Agency.
- DMRS would no longer be responsible for paying the fee which would result in a decrease of state expenditures of \$84,000 (28 x \$3,000). It is estimated that DMRS will construct seven homes per year, which will result in an annual decrease in state expenditures of \$21,000.
- The Health Services and Development Agency will incur a decrease in revenues of \$21,000 per year for four years as a result of the exemption.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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/kml

James W. White, Executive Director

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